

Mukilteo

School District No. 6

9401 Sharon Drive

Everett, WA 98204

(425) 356-1215 • Fax (425) 356-1310

February 14, 2003

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

Re: **CC Docket Nos. 96-45 and 97-21**
Billed Entity Number: 145201
Form 471 Application Number: 306506
Funding Request Number: 810969

As provided within the USAC appeals process, I would like to formally appeal the ruling of January 13, 2003, and request that funding be approved in full. Please review the included documentation of our appeal to the USAC and consider the following critical points.

1. USAC denied funding for our MMDS circuit with the reason, 'The service/product requested is not being used in accordance with program rules'.
2. In response to our appeal to the USAC, partial funding of the denied request was approved (71%). This implies that the actual service itself, MMDS, is approved as a telecommunication service.
3. As an approved telecommunications service, similar but not exclusive in capabilities with T-1, ATM, and SMDS services (all of which are listed in the eligible services document – Docket No. 96-45), the MMDS service should not be treated any differently than any one of these other services. That is, MMDS should not have more or less restrictive requirements than the other services.
4. In CC Docket N. **96-45** dated October 17, 2001 (as was referenced in my original appeal to the USAC)

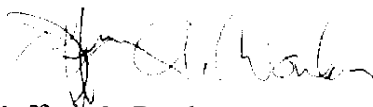
The primary purpose of the services for which support is sought must be the delivery of services to the classrooms or other places of instruction at schools and libraries that meet the statutory definition of an eligible institution. Support for the administrative functions of library or education programs is permitted so long as the services are part of the network of shared services for learning.

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5. As part of the appeal to USAC, we were required to detail types of usage of the MMDS telecommunication service. In summary, we reported
 - a. Intranet and Internet access for students and staff (62%)
 - b. File and printing services (10%)
 - c. Centralized library system (5%)
 - d. Student records management (10%)
 - e. E-mail (10%)
 - f. Purchases and requisitions (1%)
 - g. Remote administration (2%)
6. Items 5a, 5b, and 5c are school district functions made possible by the MMDS service that are directly used by students. Student usage of the resource provided by the MMDS service is by far the dominant use of the service.
7. Items 5a – 5g are school district functions made possible by the MMDS service that are directly used by staff for instructional and administrative support functions of the school district.
8. Items 5b - 5g are services provided centrally within and by the school district, using district staff, software, and hardware – not purchased services funded by ‘E-rate’ dollars.
9. The MMDS provides a shared network service that is utilized primarily for the purpose of student learning. All administrative uses are in support of the primary functions of the school district, which supports the guidelines referenced in item 4.

In conclusion, the Mukilteo School District’s use of MMDS telecommunication services meets the published guidelines and intent of the ‘E-rate’ program. **All** uses of this service are for the delivery and support of instructional services for students in the classroom. Please reverse the USAC decision and restore full funding for this telecommunication service.

Thank you,



Jeffrey A. Donley
Director of Information Services
Mukilteo School District #6
425-356-1262

Attachment Summary

1. Excerpt of USAC Funding Commitment Report with denial for funding.
2. Initial letter of appeal to USAC
3. First request for additional documentation from USAC
4. Response to first request for additional documentation from USAC
5. Second request for additional documentation from USAC
6. Response to second request for additional documentation from USAC
7. Administrator's Decision on Appeal from USAC

FUNDING COMMITMENT REPORT

Attach #1

Form 471 Application Number: 306506
 Funding Request Number: 810969 Funding Status: Not Funded
 Services Ordered: Telecommunications Service
 SPIN: 143004786 Service Provider Name: Verizon Northwest Incorporated
 Contract Number: T
 Billing Account Number: 206-0616
 Earliest Possible Effective Date of Discount: 07/01/2002
 Contract Expiration Date: 06/30/2003
 Annual Pre-discount Amount for Eligible Recurring Charges: \$37,890.48
 Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
 Pre-Discount Amount: ~~\$37,890.48~~
 Discount Percentage Approved by the SLD: N/A
 Funding Commitment Decision: ~~\$0.00~~ - Ineligible use(s)
 Funding Commitment Decision Explanation: The service/product requested is not being used in accordance with program rules.

Funding Request Number: 811015 Funding Status: Not Funded
 Services Ordered: Telecommunications Service
 SPIN: 143020465 Service Provider Name: CTE Wireless, Inc.
 Contract Number: MTM
 Billing Account Number: N/A
 Earliest Possible Effective Date of Discount: 07/01/2002
 Contract Expiration Date: 06/30/2003
 Annual Pre-discount Amount for Eligible Recurring Charges: \$6,678.43
 Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
 Pre-Discount Amount: ~~\$6,678.43~~
 Discount Percentage Approved by the SLD: N/A
 Funding Commitment Decision: ~~\$0.00~~ - Ineligible use(s)
 Funding Commitment Decision Explanation: ~~The service/product requested is not being used in accordance with program rules.~~

Funding Request Number: 811049 Funding Status: Funded
 Services Ordered: Telecommunications Service
 SPIN: 143014270 Service Provider Name: AT&T Wireless Services of Was
 Contract Number: MTM
 Billing Account Number: N/A
 Earliest Possible Effective Date of Discount: 07/01/2002
 Contract Expiration Date: 06/30/2003
 Annual Pre-discount Amount for Eligible Recurring Charges: \$3,194.76
 Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
 Pre-Discount Amount: \$3,194.76
 Discount Percentage Approved by the SLD: 55%
 Funding Commitment Decision: \$1,757.12 - FRN approved; modified by SLD
 Funding Commitment Decision Explanation: The dollars requested were reduced to remove

Funding Request Number: 811092 Funding Status: Not Funded
 Services Ordered: Telecommunications Service
 SPIN: 143003033 Service Provider Name: Metrocall, Inc.
 Contract Number: MTM
 Billing Account Number: N/A
 Earliest Possible Effective Date of Discount: 07/01/2002
 Contract Expiration Date: 06/30/2003
 Annual Pre-discount Amount for Eligible Recurring Charges: \$2,023.96
 Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
 Pre-Discount Amount: ~~\$2,023.96~~
 Discount Percentage Approved by the SLD: N/A
 Funding Commitment Decision: ~~\$0.00~~ - Ineligible use(s)
 Funding Commitment Decision Explanation: ~~The service/product requested is not being used in accordance with program rules.~~



Mukilteo
School District No. 6

9401 Sharon Drive
Everett, WA 98204
Phone: (425) 356-1342 • Fax: (425) 356-1310

May 30, 2002

Letter of Appeal
Schools and Libraries Division
Box 125 -- Correspondence Unit
XO South Jefferson Road
Whippany, NJ 07981

To Whom It May Concern:

I wish to appeal the decision to reject funding for the following Funding Request

Mukilteo School District 6
Kathy Timmons
9401 Sharon Dr
Everett, WA 98204-2647
425-356-1342
425-350-1310 FAX

Form 471 Application Number: 306506
Funding Year 2002: 07/01/2002 – 06/30/2003
Billed Entity Number: 145201
Applicant Form Identifier: Y5A

Funding Request Number: 810969
Services Ordered: Telecommunications Services
SPIN: 143004786
Provider Name: Verizon Northwest Incorporated
Service: MMDS

The denial states that "The service/product requested is not being used in accordance with program rules". That assertion is absolutely without merit. During the application process, this funding request was questioned for clarification by Peter Baccioni, to which we responded on April 25, 2002. Our response was as follows:

Statement of use:

Each **MMDS** circuit is used to provide voice and data connections to a high school, middle school, and elementary school. The data link is **used** for Internet **and** Intranet access for **both students and staff**, file **and** printing services, centralized library system, student

Form 471 Application Number: 306506
Funding Year 2002: 07/01/2002 -- 06/30/2003
Billed Entity Number: 145201
Applicant Form Identifier: Y5A

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May 30, 2002

records management, e-mail, and purchasing/requisitions. Additionally, the circuits are used for remote administration of network equipment and servers that support computer use in the classroom.

Paraphrasing CC Docket N. 96- 45 dated October 17, 2001

Schools and Libraries/Eligible Services List

The primary purpose of the services for which support is sought must be the delivery of services to the classrooms or other places of instruction at schools and libraries that meet the statutory definition of an eligible institution. Support for the administrative functions of library or education programs is permitted so long as the services are part of the network of shared services for learning.

Clearly, our response to Peter Bacchioni meets all of the criteria listed in the docket.

By definition, MMDS is Multi-Megabit Data Service, which is a transport level service of approximately 9.3Mbps. Over this transport, T-1 (voice) and data circuits are provided between our remote and central sites. This service provides both voice and data bandwidth that would normally be provided by multiple T-1 circuits. The cost for multiple T-1's with the same aggregate bandwidth would be more costly than MMDS.

In the same docket referenced earlier, the following services are classified as 'Eligible', which are again referenced within the section regarding 'Wide Area Network (WAN)' eligible services when leased, not purchased

- Asynchronous Transfer Mode (ATM)
- Digital Data Services
- Digital Subscriber Line (DSL)
- DS-1 (Digital Signal 1)
- Fractionalized T-1
- Frame Relay Services
- High Capacity Service

As our MMDS provides the equivalent functionality of multiple T-1 (DS-1) circuits, it would seem clear that MMDS is an eligible telecommunications service. It's important to note that MMDS is a leased transport service...not a purchased infrastructure.

Form 471 Application Number: 306506
Funding Year 2002: 07/01/2002 - 06/30/2003
Billed Entity Number: 145201
Applicant Form Identifier: Y5A

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Finally, referencing various examples in the 'Wide Area Network (WAN) Fact Sheet' (<http://www.sl.universalservice.org/reference/wan.asp>), here is one example of discounted WAN service-

Assume that the computers of a school district and library system are connected and share information among the various buildings, and use the network for voice telecommunications services, data transmission and for Internet access. The connections between the buildings are leased from an eligible Telecommunications Service provider. The price of the connections is eligible for discounts as a Telecommunications Service.

Again, our response to Peter Bacchioni matches this example exactly

Clearly, our use of MMDS for Wide Area Network services is eligible for funding and well within the spirit of the E-Rate guidelines. I eagerly await your confirmation that our request for funding has been accepted.

Thank you



Jeffrey A. Donley
Director of Information Services
Mukilteo School District #6

Atch # 3

REQUEST FOR ADDITIONAL DOCUMENTATION-

Hello, I'm in the process of reviewing the above listed appeal for FY5. Correspond specifically (via fax) to the numbered items as listed below. Kindly reference the above subject Form 471 Application number, and include a copy of this request. All responses forwarded to my attention are to be signed by the appellant on corresponding letterhead.

The uses described in the Statement of Use as provide on appeal include

a) Intranet and Internet access for students and staff, b) file & printing services, c) centralized library system, d) student records management, e) e-mail, f) purchases and requisitions, g) remote administration of network equipment and servers, Circuits types as identified in your item 21 attachment# Y5A-5 Data(5), Voice(4), and Fiber(3).

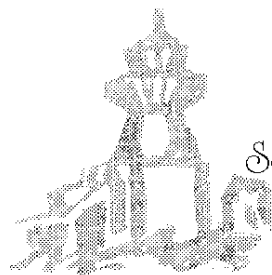
So as determine eligible usage, for the above listed uses'

- 1) Please provide a detailed description of each use (a-g).
- 2) Please provide the **associated user(s)** for each use (a-g).
- 3) Please provide which type of circuits (i.e. voice, data, fiber) the specific uses (a-g) correspond to
- 4) Please provide the estimated percentage of total usage of the **circuits** for each use (a-g).

Please confirm receipt of this correspondence via jmoore@sl.universalservice.org, you may request SLD receipt of documentation forwarded via the same means. USAC rules dictate, that requests for additional documentation be forwarded within 7 calendar days. Thank you, Jim Moore Phone (973)-884-8138, Fax (973)-599-6525.

NECA

Att: J Moore 1A27
80 So. Jellerson Rd
Whippany, NJ 07981



Mukilteo
School District No. 6

9401 Sharon Drive
Everett, WA 98204
(425) 356-1215 • Fax (425) 356-1310

November 6, 2002

Jim Moore
Universal Service Administrative Company
80 So. Jefferson Rd.
Whippany, NJ 07981

Mr. Moore,

Here is the additional information you requested regarding the Mukilteo School District MMDS circuit (Form 471 Application Number: 306506, FRN: 810969).

1. Please provide a detailed description of each use (a-g)

a) Intranet and Internet access for students and staff

Students and teachers use Internet/Intranet connectivity for research to both Internet sites and resources located on district servers. Teachers use Intranet resources to record daily attendance.

b) File & printing services

Most file server and print server services are located centrally at the district office. This requires that staff (teachers, administrators, counselors, and other support staff) and student file storage and print services be provided over the MMDS circuit.

c) Centralized library system

Our district utilizes a centralized library system that is hosted at the district office. All student and teacher library resources are accessed over the MMDS circuit.

d) Student records management

Our district utilizes a centralized student information system for student records management. The functions of this system include grading, attendance, transcripts, and other functions consistent with this type of management product. This is utilized by teachers to record daily attendance.

e) E-mail

All teachers, administrators, and support staff have e-mail accounts located on a centralized e-mail system located at the district office. This is used for communicating within the district and also for teachers and administrators to communicate with parents.

f) Purchases and requisitions

Our district has a centralized fiscal system located at the district office. Each school has a bookkeeper who order supplies and services for the school. These supplies and services are in direct support of instructional and educational programs within the school. The MMDS circuit is used for the bookkeepers' computers to access the fiscal system.

g) Remote administration of network equipment and servers

There are numerous network devices and servers at each school that require regular and periodic administration. These devices enable students and teachers to be able to have network resources available to them. Network and server administrators connect to the remote resources over the MMDS circuit to perform the necessary management.

2. Please provide the associated user(s) for each use (a-g)

- a) Students, teachers, counselors, administrators, and support staff such as registrars, clerks, secretaries, etc.
- b) Students, teachers, administrators and support staff.
- c) Students (primarily), teachers, librarian, and library support staff.
- d) Teachers, counselors, administrators, and support staff.
- e) Teachers, counselors, administrators, and support staff.
- f) A single bookkeeper at each school, except for at one high school where there are two bookkeepers.
- g) Network and server administrators from Information Services department.

3. Please provide which type of circuits the specific uses (a-g) correspond to.

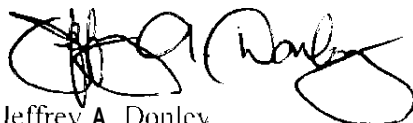
On MMDS, fiber is the physical layer on which both voice and data circuits run on. All the uses (a-g) are related to data services. Each of the users of these services (except for students) use voice services (phone system) daily.

4. Please provide the estimated percentage of total usage of the circuits for each use (a-g).

- | | |
|--------|--------|
| a) 62% | e) 10% |
| b) 10% | f) 1% |
| c) 5% | g) 2% |
| d) 10% | |

In conclusion, I want to reiterate that the use of the MMDS circuit provides the exact same services for voice and data that dedicated T-1 lines provide, but at a faster speed. All of the identified uses are in support of instructional programs.

Sincerely,



Jeffrey A. Donley

Director of Information Services
425-356-1262

Attach # 5

2nd REQUEST FOR ADDITIONAL DOCUMENTATION-

I am in receipt of your fax dated 11/06/02, thank you for your timely response. Correspond specifically (via fax) to the numbered items as listed below. Kindly reference the above subject Form 471 Application number, and include a copy of this request. All responses forwarded to my attention are to be signed by the appellant on corresponding letterhead

As per the definitions provide in your fax dated 11/06/02:

a) Intranet and Internet access for students and staff-

1) please provide the % of use associated with "Teacher use of Intranet resources to record daily attendance" of the 62% indicated in response 4 of your fax dated 11/06/02.

b) file & printing services-

2a) please define the type of files stored

2b) please define if this file storage is for archive or data backup

2c) please further define the % associated with the print services of the 10% Indicated in response 4 of your fax dated 11/06/02.

Please confirm receipt of this correspondence via jmoore@sl.universalservice.org, you may request SLD receipt of documentation forwarded via the same means USAC rules dictate, that requests for additional documentation be forwarded within 7 calendar days Thank you Jim Moore Phone (973)-884-8138, Fax (973)-599-6525.

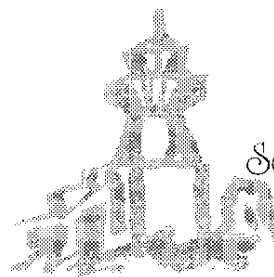
NECA

Att: J. Moore 1A27

80 So. Jellerson Rd.

Whippany, NJ 07981

Attach #6



Mukilteo
School District No. 6

9401 Sharon Drive
Everett, WA 98204
(425) 356-1215 • Fax (425) 356-1310

November 13, 2002

Jim Moore
Universal Service Administrative Company
80 So. Jefferson Rd.
Whippany, NJ 07981

Mr. Moore,

Here is the additional information you requested regarding the Mukilteo School District MMDS circuit (Form 471 Application Number: 306506, FKN: 810969).

1. Please provide the % of use associated with "Teacher use of Intranet resources to record daily attendance" of the 62% indicated in response 4 of your fax dated 11/06/02.

The 62% is associated with both student and teacher access to Internet and Intranet resources. The percentage associated with teachers taking attendance is less than 1%.

2a. Please specifically define the type of files stored.

The types of files stored are Word documents, Excel spreadsheets, PowerPoint presentations, Images, and other miscellaneous files created by instructional applications. All documents are related to instruction.

2b. Please define if this file storage is for archive or data back-up.

No. Our staff and students are not directed to store documents locally on their workstations, but to save all work to servers provided for that purpose.

2c. Please further define the % associated with the print services of the 10% indicated in response 4 of your fax dated 11/06/02.

I would estimate that the network traffic associated with printing over the MMDS link is 3-5%.

I hope this clarifies things.

Sincerely

Jeffrey A. Donley
Director of Information Services
425-356-1262



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal - Funding Year 2002-2003

January 13, 2003

Jeffrey A. Donley
Mukilteo School District No. 6
9401 Sharon Drive
Everett, WA 98204

Re: Billed Entity Number: 14.5201
471 Application Number: 306506
Funding Request Number(s): 810969
Your Correspondence Dated: May 30, 2002

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("**USAC**") has made its decision in regard to your appeal of SLD's Year Five Funding Commitment Decision for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 810969
Decision on Appeal: **Partially Approved**
Explanation:

- Your appeal has brought forward persuasive information that this funding request should be approved. Upon appeal, you were contacted to determine the percentage of usage, for each of the 7 functions listed in your appeal correspondence, to determine the eligibility of the service requested. Based on your responses to these inquiries the ineligible usage of this service was determined to be 29%, therefore the pre-discount funding request was reduced to reflect this ineligible percentage resulting in a partial approval of your appeal

Since the Administrator's Decision on **Appeal** approves additional funding for your application, SLD will issue a new Funding Commitment Decision Letter to you and to each service provider that will provide the services approved for discounts in this letter. SLD will issue the Funding Commitment Decision Letter to you as soon as possible. The Funding Commitment Decision Letter will inform you of the precise dollar value of your approved funding request. As you await the Funding Commitment Decision Letter, you

may share this Administrator's Decision on Appeal with the relevant service provider(s). However, Forms 486 cannot be filed for the services covered by this appeal until you have received your new Funding Commitment Decision Letter.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company